

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Schmald Tool & Die Inc

Michigan Manufacturing Technology Center

#### Accurate Quoting Makes A Competitive Difference At Schmald Tool & Die

##### Client Profile:

Schmald Tool & Die, Inc., located in Burton, Michigan, provides its customers with sheet metal dies, plastic injection molds, fixtures, gages, replacement details, inspection, welding, CNC machining, sinker EDM, wire EDM, and mill/boring operations. The company also provides machinery, gage, fixture, and die design services. Now a third-generation company, Schmald Tool & Die employs 31 people.

##### Situation:

Schmald Tool & Die is constantly on the lookout for opportunities to differentiate itself in an intensely competitive market. When the company decided its flat-fee pricing structure was a disadvantage, it asked the Michigan Manufacturing Technology Center (MMTC), a NIST MEP network affiliate, for help devising a new approach.

##### Solution:

MMTC helped Schmald Tool & Die construct an Activity-Based Quoting template that offers flexibility and control in a competitive pricing environment. Activity-Based Quoting allows Schmald Tool & Die to know what its profit margin will be on jobs or whether a lower bid can still make a profit. It also helps the company decide whether or not to take a job at cost, or, at times, even refuse to bid on a job. Taking jobs at cost is not desirable, but may sometimes be necessary to keep employees working. The template can be modified as necessary to reflect changes in employment numbers and market conditions, giving the company the most accurate information possible when quoting on jobs. Now, when discussing pricing with customers, Schmald Tool & Die can justify its pricing by showing the customer costs for specific activities included in a quote.

##### Results:

- Increased the number of successful quotes.
- Improved competitiveness.
- Increased control over costs versus profit.

##### Testimonial:

"In today's market, with the intense competition and pressure to lower prices,

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

[Michigan Manufacturing Technology Center's] Activity-Based Quoting [template]  
is the most valuable pricing tool we have.”

Royce Mashburn, Sales Manager